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The Role and Effects of Corruption and Organized Crime on Democracy: The Case of Italy

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Abstract: Organized crime is a widespread national and transnational phenomenon, which, together with corruption in the public sector, can compromise the objectives of a political system against the public good. In particular, sophisticated mafia organizations have the power to corrupt the social, political and economic life of a state and society through a form of illegal quasi-governance. Democracies are particularly vulnerable to such phenomena, due to the centrality of political and economic competition in their functioning, and because mafia organizations and corruption are characterized by clientelist and informal networks that aim to advance the private interests of a restricted range of actors. When political and economic elites use corruption to maintain the status quo and limit the unpredictability of a democratic regime, mafia organizations emerge as the credible guarantors of socio-political agreements, due to their power and use of violence. In this regard, Italy is a representative case of democracy damaged by the said dynamics, which have been fueled by extensive and deeply rooted corruption and mafia, and ultimately facilitated by a collusive political establishment.

In this essay, I will first define organized crime, and then present the inherent relationship between organized crime, particularly mafia type organizations with a quasi-governmental role, and the corruption in the public sector. Next, I will examine the multifaceted effects of organized crime and corruption on a democratic state. Both phenomena intrinsically weaken democracy by corroding democratic institutions, the rule of law and civil society from the inside as well as hindering economic growth. They also foster the consolidation of opaque networks between political and economic elites, aimed at defending the status quo against the unpredictability of a democratic environment which is caused by political and market competition. As a case study, I take into consideration Italy after the “clean hands” investigations (1992-1994), as it is an advanced democracy which has experienced the consolidation of deeply rooted mafia organizations as well as corruption in the public sector. To this end, I will apply, amongst others, the quantitative framework of corruption and organized crime proposed by Buscaglia and van Dijk and the qualitative framework of Johnston.

What are organized crime and mafia organizations?

Organized crime is a national and transnational phenomenon that is difficult to define in its “organized” dimension, in light of the fact that members engage in a broad range of illicit activities. It should be noted that the discrepancy between legal definitions of the concept across countries affects public policy responses to the phenomenon.¹ Moreover, the lack of a common definition hinders the consolidation of a knowledge base by journalists and researchers. In summary, organized crime is a multi-faced human phenomenon that represents both social reality and social construct.²

¹ James O. Finckenauer, “Problems of Definition: What Is Organized Crime?,” *Trends in Organized Crime* 8, no. 3 (2005): 63-83, <https://doi.org/10.1007/s12117-005-1038-4>.

² Klaus von Lampe, “The Trafficking in Untaxed Cigarettes in Germany: A Case Study of the Social Embeddedness of Illegal Markets,” in *Upperworld and Underworld in Cross-Border Crime*, ed. Petrus C. van Duyne, Klaus von Lampe, Nikos Passas (Nijmegen, the Netherlands: Wolf Legal Publishers, 2002). https://www.researchgate.net/publication/332739175_The_Trafficking_in_Untaxed_Cigarettes_in_Germany_A_Case_Study_of_the_Social_Embeddedness_of_Illegal_Markets.

I will be analyzing organized crime through the theoretical framework proposed by prof. James Finckenauer. Under this framework, organized crime is characterized by several elements, such as the lack of political ideology and a well-structured hierarchy, that in many cases have evolved into more ‘loosely affiliated networks of criminals’, with their own political agenda.³ Other features have persisted over time, such as the “continuity of the criminal enterprise” beyond the individual members’ involvement, the use and threat of violence, restricted membership, illegal enterprises, the penetration of legitimate business and ultimately, the corruption of public officials, which aims to ‘neutralize or nullify government’.⁴

It is in this scenario that the mafia emerges as a particular type of organized crime which is distinguished by its nature as a cultural and social artifact and shrouded in myth.⁵ Specifically, the concept of mafia exceeds the dimensions of criminal economic activities, additionally consisting of a culture of clientelism and *omertà*, and the ability to infiltrate the state and the society at large.⁶ Mafia organizations are criminally sophisticated and exploit the limitations and the absence of the state to pursue a quasi-governmental role, through a near monopoly on the use of force and a strong reputation.⁷ Indeed, the ‘illegal governance,’ typical of this type of organization—such as the Russian Mafia, the ‘Ndrangheta and the Yakuza—also aims at controlling the economic and political life of a territory.⁸ Prof. Klaus von Lampe argues that the conditions that foster these “quasi-governmental structures” include the power vacuum left by ineffective institutions and the illegal marketing of highly in-demand goods which lack governance. As such, the Mafia plays a

³ Finckenauer, “Problems of Definition,” 65.

⁴ Michael Maltz, “Toward Defining Organized Crime,” in *The Politics and Economics of Organized Crime*, ed. H.E. Alexander and G. Caiden (Lexington, MA: D.C. Heath, 1985).
<https://www.ojp.gov/ncjrs/virtual-library/abstracts/toward-defining-organized-crime-politics-and-economics-organized>

⁵ Finckenauer, “Problems of Definition,” 67.

⁶ Adolfo Beria di Argentine, “The Mafias in Italy,” in *Mafia Issues: Analyses and proposals for combating the mafia today*, ed. Ernesto U. Savona (International Scientific and Professional Advisory Council of the United Nations Crime and Prevention and Criminal Justice Programme (ISPAC), 1992).

⁷ Klaus von Lampe, *Organized Crime: Analyzing Illegal Activities, Criminal Structures, and Extra-Legal Governance* (Los Angeles: SAGE, 2016): 186-213.

⁸ Paolo Campana, “Eavesdropping on the Mob: The Functional Diversification of Mafia Activities across Territories,” *European Journal of Criminology* 8, no. 3 (2011): 213-228, <https://doi.org/10.1177/1477370811403442>, 214.

very important role in the regulation of illegal markets and deals due to its ability to credibly use violence and to weave networks, and thus creates trust among involved parties. In this regard, such criminal organizations are able to exert power and establish illegal governance, making them credible non-state actors. Finally, another important resource is the intelligence capability to collect and process information, and to maintain communication channels (based on “social network ties” and “underworld grapevine systems”) in order to protect the power of the organization and to settle internal and external disputes.⁹

Relationship between corruption and organized crime

Thus, corruption in the public sector emerges as an essential means employed by the mafia to ensure its long-term survival and stabilize the complex underworld in which the criminal organization operates. Buscaglia and van Dijk confirm in their statistical analyses the strong relationship between the presence of organized crime and the degree of corruption in the public sector in a country, highlighting the intrinsic incompatibility of the violent and cynical nature of Mafia patronage and the values of a democratic regime. The UN General Assembly, in the 1994 Naples Declaration, recognizes the highly corruptive power of organized crime to destabilize “fundamental social, economic and political institutions.”¹⁰ In practice, Mafia type organizations take advantage of unfavorable socioeconomic conditions, ineffective judicial systems, poor private and public governance to infiltrate and seize the political life of a country, generating a phenomenon known as “state capture.” In short, this phenomenon materializes when systemic corruption in the public sector of a state is used to prioritize the private interests of a restricted number of actors. Accordingly, corrupt practices at every level (petty and grand) subvert the objectives of a political system against the public good. In this way, the Mafia infiltrates public institutions to invalidate

⁹ Lampe, *Organized crime*, 211.

¹⁰ UN General Assembly, Naples Political Declaration and Global Action Plan against Organized Transnational Crime: resolution / adopted by the General Assembly (1994-5). <https://digitallibrary.un.org/record/172274>

democracy and weaken civil society. Moreover, the Mafia assumes a social role when the state is ineffective, in providing goods and services to a territory.¹¹ This creates a state of subjugation to the mafia by the people who inhabit their territory--what was previously a right becomes a privilege granted by criminal organizations. Since a corrupt environment pushes organized crime to further exploitation, “when organized crime acquires a dominant position, corruption within the public sector is bound to grow.”¹² Thus, these complex phenomena are complementary and must be considered in conjunction.

The impact of organized crime and corruption on a democratic regime

Democracy requires a commitment to advancing open and fair elections, a strong and active civil society, civil liberties, and the rule of law. However, “through the methodical exploitation of human and institutional weakness” corruption in the public sector and the Mafia together subvert such goals.¹³ This creates a vicious cycle in which, on one hand, the persistence of corruption increases both the social acceptance of immorality and the citizens' distrust toward democratic institutions, and on the other, the weakening of civil society's ability to monitor and judge political elites. This allows the latter to consolidate ties with opaque figures linked to organized crime, and ultimately increases corruption.

Furthermore, organized crime also affects a country's economic development and sustained growth by disincentivizing foreign investments, dispersing resources dedicated to public projects, and distorting the legal economy with the money laundered from criminal proceeds.¹⁴ As a matter of fact, in the case of Calabria, Sicily and Campania in Italy, poverty and a high unemployment rate

¹¹ Edgardo Buscaglia and Jan van Dijk, “Controlling Organized Crime and Corruption in the Public Sector,” *Forum on Crime and Society*, 2003, https://www.unodc.org/pdf/crime/forum/forum3_Art1.pdf, 7.

¹² See note above, 22.

¹³ Hung-En Sung, “Democracy and Organized Crime Activities: Evidence from 59 Countries,” *Security Journal* 17, no. 4 (2004): 21-34, <https://doi.org/10.1057/palgrave.sj.8340181>, 22.

¹⁴ Keith Blackburn, Kyriakos C. Neanidis, and Maria Paola Rana, “A Theory of Organized Crime, Corruption and Economic Growth,” *Economic Theory Bulletin* 5, no. 2 (2017): 227–45. <https://doi.org/10.1007/s40505-017-0116-5>

(especially among young people) were exploited and further worsened by very strong and entrenched criminal organizations.

Sung , in his comparative analysis of over 59 countries, found that the level of organized crime tends to increase in countries with low levels of democracy, and diminishes in parallel with the strengthening of democratic institutions and civil society.¹⁵ In this regard, a strong and impartial media emerges as crucial to exposing corrupt practices in the public and private sectors and informing citizens of the magnitude of the problem. Indeed, the news industry is key in anti-corruption and anti-mafia efforts, together with an independent judiciary; however, as the Italian case shows, the political elite's will to curb such phenomena has a value equal to or greater than these two institutions. Not by chance, mafia-type organizations infiltrate the political environment by actively supporting favorable and complicit candidates through vote-buying. Interestingly, the country's culture and traditions are also able to contrast or facilitate the presence and activities of criminal organizations.¹⁶

In the face of the negative political, social, and economic effects on the public, the existence of corrupt networks and weak institutions allow the elites of a country to maintain their status quo, by limiting the political and market competition. On this topic, Johnston has developed a qualitative framework of the types of corruption, identifying four "syndromes," which depend on the actors involved and the institutional strength of the environment in which they operate. In particular, two of apply to democracies: influence market (ex. US, Japan and Germany) and elite cartels (ex. South Korea, Italy and Chile).

The Italian case

According to Johnston , the Italian experience of state-led economic growth in the second half of the 20th century was fueled by corruption and characterized by a wide-ranging collusion

¹⁵ Sung, "Democracy and organized crime activities," 28.

¹⁶ Sung, "Democracy and organized crime activities," 29.

between economic and political elites. During the so-called “first republic” (1946-1994) elite networks defended their status quo through collusion, and with the aim of controlling growing political and economic competition to the detriment of democracy. This extensive corruption experienced in Italy was operated by a wide variety of actors, “highly factionalized and contentious,” including politicians, entrepreneurs, bureaucrats, security forces and the judiciary, in addition to Catholic prelates and criminal networks (involving white collars and organized crime).¹⁷

¹⁸ However, the change in power equilibria created by the “clean hands” investigations in the early 90s generated a power vacuum due to the weakened role of political parties as guarantors of corrupt agreements. As such, mafia-type organizations have expanded throughout the country, from the south to the north, and have taken their place as trustworthy enforcers, thanks to their high territorial reputation, credible use of violence, their wealth, and power to control votes.¹⁹ Their exertion of substantial power has further increased the importance of criminal organizations in both the corruption of the public and the interactions between elite groups. The movement and establishment of mafia organizations, especially in the northern regions of the country, has been successful and has shown the mafia’s ability to weave opaque networks with local businesses and administrators based on mutual trust, corrupt incentives and exchanges.²⁰ It is important to highlight that the system of corruption, made up of “unwritten norms, expectations and values,” has always necessitated facilitators to foster trust among the actors and to solve potential disputes.²¹ According to academics such as Alberto Vannucci, Johnston, and prosecutors as Nicola Gratteri, the system of informal clientelist networks (also covered by secret societies) has continued to shape Italian

¹⁷ Michael Johnston, *Syndromes of Corruption Wealth, Power, and Democracy*, (Cambridge: Cambridge University Press, 2005): 100.

¹⁸ Vincenzo Ruggiero, “Who Corrupts Whom? A Criminal Eco-System Made in Italy,” *Crime, Law and Social Change* 54, no. 1 (2010): 87–105, <https://doi.org/10.1007/s10611-010-9242-9>

¹⁹ See note above, 101.

²⁰ Joselle Dagnes et al., “Mafia Infiltration, Public Administration and Local Institutions: A Comparative Study in Northern Italy,” *European Journal of Criminology* 17, no. 5 (August 2018): 540-562. <https://doi.org/10.1177/1477370818803050>

²¹ Alberto Vannucci, “The ‘clean hands’ (mani pulite) inquiry on corruption and its effects on the Italian Political System,” *Em Debate*, Belo Horizonte.8, no.2 (2016), <https://arpi.unipi.it/retrieve/handle/11568/793503/101539/Alberto-Vannucci%20-%20Em%20Debate.pdf>, 66.

political, economic and social environments despite challenges.²² In fact, contemporary governments have shown little commitment to curb the scourge of the mafia and corruption. On the contrary, they have favored them, legitimizing a culture of patronage and *omertà* in the media. Further, the overloaded justice system, aggravated by damaging legislative interventions (ex. leggi vergogna, known as literally ‘shame laws’), has largely failed to convict the guilty, spreading a sense of impunity and of social acceptance of immorality.²³ Not coincidentally, several international measures of corruption, such as the Corruption Perception Index and the Bertelsmann Sustainable Governance Index, rank Italy below its European peers and do not show positive trends, exposing the lack of a strong political will to tackle corruption and mafia organizations.

Conclusion

The vicious cycle generated and fueled by a corrupt environment and organized crime hampers democratic regimes at every level: by infiltrating institutions and distorting their goals, by flooding the legal economy with criminal earnings, and by substituting the mafia for the rule of law in the provision of goods and services. In democratic regimes, systemic corruption, and mafia organizations create long-term damage to civil society, for example, stagnant economic and human development. It is necessary to understand that political and economic elites perceive and participate in such opaque and informal networks, and exploit opportunities to increase their own power and defend the status quo. In this regard, mafia organizations emerge as important partners to corrupt officials, thanks to their power to reduce the unpredictability and competitiveness of the environment and consequently, advance the private objectives of a restricted number of elite actors over the *res publica*.

²² Johnston, *Syndromes of Corruption*, 102.

²³ See note 21.

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